



## POSTAL REGULATORY COMMISSION

[Docket No. MC2011-19 and R2011-3; Order No. 1676]

Negotiated Service Agreement

AGENCY: Postal Regulatory Commission.

ACTION: Notice

SUMMARY: The Commission is noticing a recent Postal Service filing concerning an amendment to Discover Financial Services Negotiated Service Agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* March 27, 2013.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

On January 14, 2011, the Postal Service filed a request pursuant to 39 U.S.C. 3622 and 3642, as well as 39 CFR 3010 and 3020, *et seq.*, to add a Discover Financial Services (DFS) Negotiated Service Agreement (NSA) to the market dominant product list.<sup>1</sup> After a comment period, the Commission approved the Request on March 15, 2011 and added the product to the market dominant product list.<sup>2</sup> On March 8, 2013, the Postal Service filed an amendment to the DFS NSA with the Commission.<sup>3</sup>

*Contract Amendment.* The proposed Amendment seeks to modify how Discover's First-Class Mail revenue is calculated under the contract. *Id.* at 1. Discover has decided to utilize Priority Mail in lieu of a small amount of its First-Class Mail volume. *Id.* The Amendment is designed to adjust the threshold for

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<sup>1</sup> Notice of the United States Postal Service of Filing Contract and Supporting Data and Request to Add Discover Financial Services Negotiated Service Agreement to the Market-Dominant Product List, January 14, 2011 (Request).

<sup>2</sup> Order No. 694, Order Adding Discover Financial Services 1 Negotiated Service Agreement to the Market Dominant Product List, March 15, 2011.

<sup>3</sup> Letter from Brandy A. Osimokun, Attorney, United States Postal Service to Shoshana M. Grove, Secretary, Postal Regulatory Commission, Re: Docket No[s]. R2011-3/MC2011-19, March 8, 2013 (Amendment).

qualifying for discounts to account for the Priority Mail volume. *Id.* The Amendment proposes that First-Class Mail revenue, for the purposes of achieving the revenue threshold, include “a sum that represents the revenue value of the DFS Priority Mail piece volume, such sum to be calculated by multiplying DFS’s priority Mail piece volume by DFS’s average DFS Eligible First-Class Mail postage per piece for the current contract year.” *Id.* Attachment.

The Postal Service states that the Amendment does not alter the structure or original intent of the agreement and benefits both parties because “Discover will not be penalized for the upgrade, and the Postal Service will receive a higher contribution per piece from the Discover First-Class mail volume that Discover upgrades....” Amendment at 2. The Postal Service asserts that the Amendment meets the statutory requirements of improving the net financial position of the Postal Service, while not causing any unreasonable harm to the marketplace. *Id.*; *see also* 39 U.S.C. 3622(c)(10).

## II. Notice of Filings

The Commission reopens Docket Nos. MC2011-19 and R2011-3 to consider the Amendment.

Interested persons may submit comments on whether the Postal Service’s filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3622, 3632, 3633, or 3642 and 39 CFR parts 3010 and 3020. Comments are due no later than March 27, 2013. The Commission appoints Malin G. Moench to serve as Public Representative in these dockets.

### III. Ordering Paragraphs

*It is ordered:*

1. Pursuant to 39 U.S.C. 505, Malin G. Moench is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

2. Comments by interested persons in these proceedings are due no later than March 27, 2013.

3. The Secretary shall arrange for publication of this order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams,

*Acting Secretary.*

*[FR Doc. 2013-06358 Filed 03/19/2013 at 8:45 am; Publication Date: 03/20/2013]*